



# INTERIM UNAUDITED FINANCIAL STATEMENTS

## FOR THE PERIOD ENDED 30 JUNE 2018

Afinitas Limited is a pan African investment holding company focused on developing a portfolio of leading Africa focused businesses. The Directors of Afinitas are pleased to provide shareholders with this report on the operational and financial performance of the group for the 6 month period ended 30 June 2018.

### UPDATE ON OPERATIONS

The operating entities within the Afinitas Group comprise Africa Events Limited, Adventis Limited and Ethiopia Investments Limited. In addition, Afinitas holds a 10% stake in Icecap Trust Holdings Limited that was acquired during this period.

**AFRICA EVENTS LIMITED (AEL)**, a 50% owned event management company, hosted the 6th Africa Financial Services Investment Conference (AFSIC) in London on 2nd to 4th May 2018. AFSIC again showed good growth in delegate numbers and profitability. AFSIC has become one of the most important Africa investment events globally and attracts many of Africa's leading investors, dealmakers and companies.

In addition to AFSIC, AEL runs annual Trade and Investment events focused on high growth countries in Africa to connect investors with opportunities in the Infrastructure, Energy, Power, Renewables, Mining and Oil and Gas sectors of these countries. These events are now entering their second year and, while they are still young, they are showing consistent signs of growth both in delegates and revenue.

**ADVENTIS LIMITED (ADVENTIS)**, a 66% owned subsidiary of Afinitas is a specialist investment management company focusing on the African continent. During the period under review the African Development Bank approved a US\$10m equity investment into the Africa Financial Sector Deepening Fund. The fund is designed to strengthen Africa's financial sector by investing into top tier financial institutions across Africa, and to stimulate the development of Africa's corporate bond market. Management is optimistic that the fund

will prove to be a catalyst in Africa's economic emergence. Discussions with other potential investors continue and management looks forward to announcing the launch of this fund in due course.

In addition, during the course of the period under review Adventis has launched the Adventis Africa Enhanced Income Fund and the Adventis Africa Equity Fund. The launch of these two products positions Adventis as an emerging force in African asset management. Adventis will announce the launch of a further fund in due course subject to regulatory approvals.

**ETHIOPIA INVESTMENTS LIMITED (EIL)**, owns 100% of EQOS Services (EQOS), which is the first Business Process Outsourcing company based in Ethiopia. Since the start of the current financial year, EQOS has been actively promoting its services to international clients. Although EQOS is in the early stages of its development, the results of the ongoing marketing campaign suggest that the company has good income growth potential. Management believes that Ethiopia's low cost of labour, and skilled workforce make it an excellent location for Business Process Outsourcing services. A number of new businesses and strategies are being examined for accelerating EIL's development.

**ICECAP TRUST HOLDINGS LIMITED**, Afinitas has acquired a 10% stake in Icecap Trust Holdings Limited, a company based in Jersey that will provide trust, company and administration services. This company is in the process of receiving regulatory approval prior to launch.

### FINANCIAL REVIEW

The unaudited Interim Financial Statements have been reviewed by Grant Thornton, Botswana. Key highlights for the period are:

- Revenue increased 65% in USD terms from \$412,953 to \$683,268, this primarily reflects the continued growth of AFSIC and Africa Events Limited.
- Other operating expenses increased 35% in USD terms from \$908,000 to \$1,222m. The increase in expenses principally results from:
  - The inclusion of a full 6 months of EQOS operating expenses, whereas in the comparison period only one month was included;
  - The higher costs of holding events, a necessary consequence of increased delegate numbers at AFSIC;
  - The legal costs of onboarding new funds into Adventis;
- The net result was an increase of \$140k in the comprehensive loss attributable to the owners of Afinitas from \$425k to \$565k.

The financial performance of the Group reflects the fact that many of the company's subsidiaries and investee companies are each at an early stage in their development and are in the process of establishing recurrent income streams. Management in each of the subsidiary companies is focused on increasing revenue and the Afinitas Board is confident that these efforts will reflect in sustainable revenue generation and profitability in the future as the various start-up investment companies progress through their transition phase.

For and on behalf of the Board of Directors:

**Lesang Magang**      **Rupert McCammon**  
Chairman              Managing Director

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

### FOR THE PERIOD ENDED 30 JUNE 2018

Figures in US Dollars	Group		
	Reviewed 6 months ended 30 June 2018	Reviewed 6 months ended 30 June 2017	Audited 12 months ended 31 December 2017
Revenue	683,268	412,953	430,409
Other operating income	16,290	17,696	27,005
Other operating gains (loss)	(13,394)	9,412	12,735
Other operating expenses	(1,225,607)	(908,303)	(1,878,401)
<b>Operating Loss</b>	<b>(539,443)</b>	<b>(468,242)</b>	<b>(1,408,252)</b>
Finance income	31,946	27,587	66,686
<b>Profit (Loss) for the period</b>	<b>(507,497)</b>	<b>(440,655)</b>	<b>(1,341,566)</b>
<b>Other Comprehensive Income:</b>			
<b>Items that may be reclassified to profit or loss:</b>			
Exchange differences on translating foreign operations:	(14,081)	(14,802)	(6,742)
<b>Other Comprehensive Income (Loss) for the period net of taxation</b>	<b>(14,081)</b>	<b>(14,802)</b>	<b>(6,742)</b>
<b>Total Comprehensive Income (Loss) for the period</b>	<b>(521,578)</b>	<b>(455,457)</b>	<b>(1,348,308)</b>
<b>Loss attributable to:</b>			
Owners of the parent	(543,991)	(411,620)	(1,248,764)
Non-controlling interest	36,494	(29,035)	(92,802)
	<b>(507,497)</b>	<b>(440,655)</b>	<b>(1,341,566)</b>
<b>Total Comprehensive Income (Loss) attributable to:</b>			
Owners of the parent	(565,093)	(424,906)	(1,259,900)
Non-controlling interest	43,515	(30,551)	(88,408)
	<b>(521,578)</b>	<b>(455,457)</b>	<b>(1,348,308)</b>
<b>Earnings per share</b>			
<b>Per share information</b>			
Basic earnings (loss) per share (cents)	(0.237)	(0.206)	(0.627)
Diluted earnings (loss) per share (cents)	(0.237)	(0.206)	(0.627)
<b>Group Segment reporting</b>			
<b>AS at 30 June 2018</b>	<b>Within Botswana</b>	<b>Outside Botswana</b>	<b>Total</b>
Revenue	-	683,268	683,268
Other income	-	2,896	2,896
Finance income	-	31,946	31,946
Operating expenses	(438,760)	(786,847)	(1,225,607)
	(438,760)	(68,737)	(507,497)
<b>Segment assets and liabilities</b>			
Assets	4,560,618	2,279,201	6,839,819
Liabilities	(41,117)	(68,386)	(109,503)
Net equity	4,519,501	2,210,815	6,730,316
<b>AS at 30 June 2017</b>			
Revenue	-	412,953	412,953
Other income	2,925	24,183	27,108
Finance income	27,557	30	27,587
Operating expenses	(391,929)	(516,374)	(908,303)
	(361,447)	(79,208)	(440,655)
<b>Segment assets and liabilities</b>			
Assets	5,804,168	2,462,579	8,266,747
Liabilities	(11,546)	(20,097)	(31,643)
	5,792,622	2,442,482	8,235,104

## STATEMENT OF CHANGES IN EQUITY

### FOR THE PERIOD ENDED 30 JUNE 2018

Figures in US Dollars	Stated Capital	Foreign Currency translation Reserve	Accumulated Loss	Total attributable to equity holders of the group/ company	Non Controlling Interest	Total Equity
<b>Group</b>						
<b>Balance as at 1 January 2017</b>	<b>9,067,560</b>	<b>(5,367)</b>	<b>(370,821)</b>	<b>8,691,372</b>	<b>(824)</b>	<b>8,690,548</b>
Loss for the period	-	-	(411,620)	(411,620)	(29,035)	(440,655)
Other comprehensive income	-	(13,273)	-	(13,273)	(1,516)	(14,789)
<b>Total Comprehensive Loss for the period</b>	<b>-</b>	<b>(13,273)</b>	<b>(411,620)</b>	<b>(424,893)</b>	<b>(30,551)</b>	<b>(455,444)</b>
<b>Balance at 30 June 2017</b>	<b>9,067,560</b>	<b>(18,640)</b>	<b>(782,441)</b>	<b>8,266,479</b>	<b>(31,375)</b>	<b>8,235,104</b>
	-	-	-	-	-	-
<b>Balance at 1 January 2018</b>	<b>9,067,560</b>	<b>(16,503)</b>	<b>(1,619,586)</b>	<b>7,431,471</b>	<b>(179,288)</b>	<b>7,252,183</b>
Loss for the period	-	-	(543,991)	(543,991)	36,494	(507,497)
Other comprehensive income	-	(21,391)	-	(21,391)	7,021	(14,370)
<b>Total Comprehensive Loss for the period</b>	<b>-</b>	<b>(21,391)</b>	<b>(543,991)</b>	<b>(565,382)</b>	<b>43,515</b>	<b>(521,867)</b>
<b>Balance at 30 June 2018</b>	<b>9,067,560</b>	<b>(37,894)</b>	<b>(2,163,577)</b>	<b>6,866,089</b>	<b>(135,773)</b>	<b>6,730,316</b>

### BOARD OF DIRECTORS

Mr. Lesang Magang, Independent Non-Executive Chairman  
Mr. Rupert McCammon, Managing Director  
Mr. Leutwese Tumelo, Executive Director  
Dr. Keith Jefferys, Independent Non-Executive Director

## STATEMENT OF FINANCIAL POSITION

### AS AT 30 JUNE 2018

Figures in US Dollars	Group		
	Reviewed 6 months ended 30 June 2018	Reviewed 6 months ended 30 June 2017	Audited 12 months ended 31 December 2017
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	84,519	53,428	95,026
Other financial assets	366,736	-	-
	<b>451,255</b>	<b>53,428</b>	<b>95,026</b>
<b>Current Assets</b>			
Loans to related companies	-	130	135
Trade and other receivables	141,070	73,195	151,827
Other financial assets	166,633	105,174	9,515
Current tax receivable	1,463	1,463	1,463
Cash and cash equivalents	6,079,398	8,033,357	7,290,967
	<b>6,388,564</b>	<b>8,213,319</b>	<b>7,453,907</b>
<b>Total Assets</b>	<b>6,839,819</b>	<b>8,266,747</b>	<b>7,548,933</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
<b>Equity Attributable to Equity Holders of Parent</b>			
Stated capital	9,067,560	9,067,560	9,067,560
Foreign currency translation reserves	(37,894)	(18,640)	(16,503)
Accumulated loss	(2,163,577)	(782,441)	(1,619,586)
	6,866,089	8,266,479	7,431,471
Non-controlling interest	(135,773)	(31,375)	(179,288)
	<b>6,730,316</b>	<b>8,235,104</b>	<b>7,252,183</b>
<b>Liabilities</b>			
<b>Non-current Liabilities</b>			
Operating lease liability	-	-	2,910
<b>Current Liabilities</b>			
Deferred income	-	-	117,530
Trade and other payables	109,503	31,643	176,310
	<b>109,503</b>	<b>31,643</b>	<b>293,840</b>
<b>Total Equity and Liabilities</b>	<b>6,839,819</b>	<b>8,266,747</b>	<b>7,548,933</b>

## STATEMENT OF CASH FLOWS

### FOR THE PERIOD ENDED 30 JUNE 2018

Figures in US Dollars	Group		
	Reviewed 6 months ended 30 June 2018	Reviewed 6 months ended 30 June 2017	Audited 12 months ended 31 December 2017
<b>Cash flows from operating activities</b>			
Cash used in operations	(709,796)	(541,605)	(1,291,608)
Finance income	31,946	27,587	66,686
Finance costs	-	-	-
Tax paid	-	-	-
<b>Net cash from operating activities</b>	<b>(677,850)</b>	<b>(514,018)</b>	<b>(1,224,922)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	-	(21,615)	(73,380)
Movement in investments	-	125	-
Net movement in financial assets	(523,854)	(94,170)	1,489
<b>Net cash from investing activities</b>	<b>(523,854)</b>	<b>(115,660)</b>	<b>(71,891)</b>
<b>Cash flows from financing activities</b>			
Dividends paid to non-controlling interest	-	-	(90,098)
Loans advanced to related companies	-	(1,209)	(135)
Repayment of loans from related parties	135	-	(1,079)
<b>Net cash from financing activities</b>	<b>135</b>	<b>(1,209)</b>	<b>(91,312)</b>
<b>Total cash and cash equivalent movement for the period</b>	<b>(1,201,569)</b>	<b>(630,887)</b>	<b>(1,388,125)</b>
Cash and cash equivalents at the beginning of the period	7,290,957	8,664,244	8,664,244
Effect of exchange rate movement on cash balances	(9,990)	-	14,848
<b>Total cash and cash equivalents at the end of the period</b>	<b>6,079,398</b>	<b>8,033,357</b>	<b>7,290,967</b>

### CONTACT DETAILS

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### AUDITORS

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